

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Lawrence Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: July 14, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.25% and an update to the mortality improvement projection scale.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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LAWRENCE RETIREMENT SYSTEM
FUNDING SCHEDULE with 3(8)(C) - 15 years
MP-2019, 7.25% Discount Rate

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*	% Change
2022	3,897,627	210,810,445	17,894,236	1,009,945	22,801,808	
2023	4,063,276	206,902,634	18,566,114	1,009,945	23,639,335	3.67%
2024	4,235,965	201,990,917	19,261,716	1,009,945	24,507,626	3.67%
2025	4,415,994	195,977,068	19,981,871	1,009,945	25,407,809	3.67%
2026	4,603,674	188,754,850	20,727,439	1,009,945	26,341,057	3.67%
2027	4,799,330	180,209,398	21,499,309	1,009,945	27,308,584	3.67%
2028	5,003,301	170,216,570	22,298,403	1,009,945	28,311,649	3.67%
2029	5,215,942	158,642,235	23,125,670	1,009,945	29,351,557	3.67%
2030	5,437,619	145,341,515	23,982,098	1,009,945	30,429,661	3.67%
2031	5,668,718	130,157,975	24,868,703	1,009,945	31,547,366	3.67%
2032	5,909,638	112,922,744	25,786,541	1,009,945	32,706,124	3.67%
2033	6,160,798	93,453,578	26,736,702	1,009,945	33,907,445	3.67%
2034	6,422,632	71,553,850	27,720,314	1,009,945	35,152,890	3.67%
2035	6,695,594	47,011,467	28,738,544	1,009,945	36,444,082	3.67%
2036	6,980,157	19,597,710	19,597,710	1,009,945	27,587,812	-24.30%
2037	7,276,813	-	-	1,009,945	8,286,758	-69.96%

Amortization of Unfunded Liability as of July 1, 2021

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2005	ERI2002-LHA	2,746	4.50%	24	5,713	7
2005	ERI 2002-VOC	19,415	4.00%	24	37,239	7
2005	ERI2002-City	405,220	4.00%	24	777,227	7
2005	ERI2003-City	129,504	4.00%	24	248,393	7
2005	ERI2003-VOC	4,729	4.00%	24	9,071	7
2022	Fresh Start	N/A	N/A	15	N/A	15

* Contribution is set to be the amount resulting from a \$727,572 increase on the prior year's contribution, with 3.673075% increases thereafter. The contribution in FY2036 decreases by 24.30%.